

MinutesSeptember 25, 2001 9:00 a.m.

At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on Tuesday, September 25, 2001, the following members were present:

Gary Feland, Chairman
Jay Stovall, Vice Chairman
Bob Anderson, Commissioner
Matt Brainard, Commissioner
Bob Rowe, Commissioner

APPEARANCE
Dennis Crawford
Utility

(328) In the matter of Montana Power Company, Docket No. D97.11.219; On September 17, 2001, MPC filed its fifth semi-annual true-up Advice Letter pursuant to Order No. 6035a. This filing is made by MPC in its role as servicer of the Natural Gas Transition Bonds. If the previous six-month period variance between the scheduled debt service and the actual amounts available to satisfy the scheduled debt service for such period exceeds 2 percent MPC is required to apply for adjustment to the Fixed Transition Amount (FTA) charges. The variance for the period was an overcollection of 31.01 percent or \$1,229,751. The variance was a result of a conservative forecast for natural gas consumption. One FTA rate FTA-RA (Non-Core) increases from \$0.068 to \$0.078 due to an under-recovery from those customers.

Also on September 17, 2001, MPC filed adjustments to the CTC-GP-Credit and the CTC-RA-Credit. These two credit rate schedules pertain to certain rate base credits associated with gas production and regulatory asset transition costs. These rate adjustments were filed with the semi-annual true-up in order to provide a single rate adjustment for customers. The CTC-RA and CTC-GP Credits have been adjusted to reflect the recent change in the authorized cost of capital in Order No. 6271c. The authorized cost of capital declined from 9.43 percent to 8.82 percent. These two rate schedules have been adjusted to reflect the forecast market for the period that these rates will be in effect, October 1, 2001 to September 30, 2002. Staff recommends that the decrease in the FTA charges and the increase in the FTA-RA (Non-Core) as well as the changes in the CTC-GP-Credit and CTC-RA-Credit be approved effective October 1, 2001.

Commissioner Rowe moved to approve the changes. Commissioner Stovall seconded the motion, which passed unanimously.

APPEARANCE
Wayne Budt
Transportation

(329) In the matter of T-01.13.PCN; On May 22, 2001 A.W.A.R.E., Inc., Anaconda, Montana made application for intrastate Montana operating authority. The application was noticed on June 11, 2001 and protests were received. A Public Hearing was scheduled for Tuesday, September 18, 2001. On Friday, September 14, 2001 the applicant requested that the application be withdrawn and the docket closed.

Class B – Passengers within the City of Anaconda, Montana and a fifty (50) mile radius thereof. Limitation: 1) Transportation which originates and terminates in Silver Bow is prohibited. 2) Transportation in limousine service is prohibited.

MinutesSeptember 25, 2001 9:00 a.m.

Commissioner Brainard moved to approve the request to withdraw and close the docket. Commissioner Rowe seconded the motion, which passed unanimously.

(330) In the matter of T-01.18.ST; On July 2, 2001 Raphael R. Roberts dba Airport Shuttler, Missoula, Montana filed an application for transfer of Montana Intrastate Certificate of Public Convenience and Necessity, PSC No. 9384, to John Kelly dba Airport Shuttler, Missoula, Montana.

Class B - Passengers (a) from hotels, motels, businesses, and residences within the city of Missoula, Montana and a ten (10) mile radius thereof to the Missoula International Airport and (b) from Missoula International Airport to hotels, motels, businesses, and residences within the City of Missoula and a ten (10) mile radius thereof. All transportation under this certificate will either originate or terminate at Missoula International Airport. Limitations: (1) Transportation is limited to suburban/van service and excludes motor coaches, buses, and limousines. Limousine and charter services are prohibited. (2) Transportation of groups requiring a vehicle with rated seating capacity of nine (9) passengers or more is prohibited. (3) Transportation of airline passengers who are being transported by alternate means from Missoula International Airport as a result of weather related problems or airport closure is prohibited. (4) Transportation of all athletic teams, student organizations, and other groups in competition with the University of Montana is prohibited.

Commissioner Rowe moved to approve the transfer. Commissioner Brainard seconded the motion, which passed unanimously.

APPEARANCE
Wayne Budt
Centralized Services

(331) In the matter of the approval of Commission Minutes; Commissioner Stovall moved to approve the Commission Minutes for the week of September 17, 2001. Commissioner Rowe seconded the motion, which passed unanimously. Commissioner Anderson voted aye.

MinutesSeptember 25, 2001 9:00 a.m.

There being no further business to come before the Commission the meeting was adjourned.

GARY FELAND, Chairman

JAY STOVALL, Vice Chairman

BOB ANDERSON, Commissioner

MATT BRAINARD, Commissioner

BOB ROWE, Commissioner

ATTEST:

Rhonda J. Simmons
Commission Secretary

(SEAL)

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Bob Anderson, Commissioner
Matt Brainard, Commissioner
Bob Rowe, Commissioner

APPEARANCE

David Hoffman, Will Rosquist, Martin Jacobson

(332) In the matter of the Commission's discussion of Northwestern Generation I, LLC and Rocky Mountain Power's applications for comments and findings regarding their Power Purchase Agreement with Montana Power Company, Docket No. D2001.9.123 and D2001.9.127, respectively; Commissioner Rowe moved to issue a notice requesting comments in both dockets, comments should be received within 10 days of notice, addressing questions of commission jurisdiction and statutory interpretation, and additional issues in common to the two contracts, and addressing issues specific to each contract, and reviewing the commission's decision in Order No. 6361a. Commissioner Brainard seconded the motion, which did not get voted upon due to the offering of a substitute motion as follows: Commissioner Brainard moved to prepare comments on the power purchase agreements and have another meeting on Thursday, September 27, 2001, to issue the comments. Commissioner Stovall seconded the motion, which passed with a vote of 3-2. Commissioners Brainard, Feland and Stovall voted aye. Commissioners Anderson and Rowe dissented.

APPEARANCE

Martin Jacobson, Leroy Beeby

(333) In the matter of the Commission's discussion of Montana Power Company's natural gas rate refund to customers, Docket No. D2000.8.113; Commissioner Stovall moved to approve Montana Power Company's proposed six-month natural gas rate refund to customers. Commissioner Rowe seconded the motion, which passed unanimously.

APPEARANCE

Martin Jacobson, Ryan Morton

(334) In the matter of the Commission's discussion of Montana-Dakota Utilities notice of filing of integrated resource plan, Docket No. D2001.9.128; Commissioner Stovall moved to extend the comments deadline to 90 days. Commissioner Anderson seconded the motion, which passed unanimously.

MinutesSeptember 25, 2001 9:30 a.m.

APPEARANCE
Martin Jacobson, Mike Lee

(335) In the matter of the Commission's discussion of Montana eligible telecommunications carriers annual certification to the Federal Communications Commission, Docket No. N2001.8.110; Commissioner Stovall moved to certify Reservation Telephone Cooperative to the Federal Communications Commission and Universal Service Administration Company as an eligible telecommunications carrier. Commissioner Rowe seconded the motion, which passed unanimously.

There being no further business to come before the Commission the meeting was adjourned.

GARY FELAND, Chairman

JAY STOVALL, Vice Chairman

BOB ANDERSON, Commissioner

MATT BRAINARD, Commissioner

BOB ROWE, Commissioner

ATTEST:

Rhonda J. Simmons
Commission Secretary

(SEAL)

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At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on Thursday, September 27, 2001, the following members were present:

Gary Feland, Chairman
Jay Stovall, Vice Chairman
Bob Anderson, Commissioner, via telephone
Matt Brainard, Commissioner
Bob Rowe, Commissioner

APPEARANCE

Robin McHugh, David Hoffman, Will Rosquist, Eric Eck

(336) In the matter of the Commission's discussion of Rocky Mountain Power's application for comments and findings regarding their Power Purchase Agreement with Montana Power Company, Docket No. D2001.9.127; Commissioner Brainard moved to strike the first two sentences (of the first paragraph in the draft comments under the heading Commission Comments) which read "as a preface . . . commission approved default electricity supply rates." Commissioner Stovall seconded the motion, which was not voted upon as a substitute motion was offered. Commissioner Rowe moved to adopt the draft comments striking those sentences (first two sentences of first paragraph of Commission Comments). Commissioner Brainard seconded the motion, which passed unanimously. Commissioner Stovall then moved to enter Commissioner Brainard's comments as commission action (as three commissioners were prepared to sign on to them). Commissioner Brainard seconded the motion, which was withdrawn after discussion. Commissioner Brainard moved to amend the comments to include comments that were offered by Commissioner Brainard by melding them into the staff's comments. Commissioner Stovall seconded the motion, which passed with a vote of 3-2. Commissioners Brainard, Feland and Stovall voted aye. Commissioners Anderson and Rowe dissented.

APPEARANCE

Robin McHugh, David Hoffman, Will Rosquist, Eric Eck

(337) In the matter of the Commission's discussion of Northwestern Generation I's application for comments and findings regarding their Power Purchase Agreement with Montana Power Company, Docket No. D2001.9.123; Commissioner Rowe moved to issue the draft comments striking the first two sentences (of the first paragraph) under Commission Comments. Commissioner Brainard seconded the motion, which passed unanimously.

APPEARANCE

Robin McHugh, David Hoffman, Wayne Budt, Susan Good

(338) In the matter of the Commission's discussion of its organizational chart; Commissioner Brainard moved to adopt the preliminary table as presented (ACT variation). Commissioner Rowe seconded the motion, which with a vote of 4-1. Commissioners Anderson, Brainard, Feland and Rowe voted aye. Commissioner Stovall dissented.

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There being no further business to come before the Commission the meeting was adjourned.

GARY FELAND, Chairman

JAY STOVALL, Vice Chairman

BOB ANDERSON, Commissioner

MATT BRAINARD, Commissioner

BOB ROWE, Commissioner

ATTEST:

Rhonda J. Simmons
Commission Secretary

(SEAL